

Message Text

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ACTION L-03

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FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC IMMEDIATE 6526

C O N F I D E N T I A L PRAGUE 1568

FROM KWIATEK AND WORTZEL

E.O. 11652: GDS

TAGS: PFOR, EFIN, CZ, US

SUBJECT: CLAIMS NEGOTIATIONS -- AGREED ARTICLES

REF: A PRAGUE 1518 (B) STATE 140323

1. FOLLOWING TEXT OF ARTICLE 1 AGREED THIS MORNING AFTER TWO DAYS OF DIFFICULT NEGOTIATION. DEPARTMENT IS, OF COURSE, ALREADY AWARE OF ISSUES DISCUSSED IN REFTELS WHICH CONTINUED TO PLAGUE US EVEN WHEN WE PRESENTED NEW US DRAFT SUPPLIED IN REF (B).

2. IN FINAL ANALYSIS, STICKING POINTS LAY IN AREA OF DEFINING US CLAIMS SETTLED IN FASHION LIMITING ENOUGH, AND CZECH CLAIMS IN FASHION INCLUSIVE ENOUGH, TO SATISFY US. AGREED TEXT IS IN ALL SUBSTANTIVE LEGAL RESPECTS SAME AS DEPARTMENT DRAFT THROUGH SUBPARA (2), AND FULLY DEFINES US CLAIMS USING BASIS OF ACT OF AUGUST 8, 1958 AS DEPARTMENT PROPOSED.

3. NEGOTIATION OF DEPARTMENT'S SUBPARA (3) PLUS AGREED MINUTE PROVED IMPOSSIBLE SINCE CZECHS WERE UNWILLING TO USE THIS MECHANP. (WHICH, WE NOTE FROM FAM, MAY IN ANY EVENT NOT BE POSSIBLE FOR US). WE FACED ALSO SITUATION IN WHICH WE WERE ADAMANT IN PREVENTING BROADENING OF WAIVER OF US CLAIMS, WHILE SEEKING AT SAME TIME TO INSURE THAT CZECHS EXPLICITLY INCLUDE

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IN THEIR WAIVER THE STEEL MILL, ZIVNOSTENSKA BANK, AND MACHIN-

ERY, PARTICULARLY SINCE THEY WERE NOT EVEN RECEIVING CREDIT OR COMPENSATION FOR LATTER TWO.

4. WE HAVE BROKEN IMPASSE BY OBTAINING CZECH AGREEMENT TO FOLLOWING TEXT, PLUS SIDE LETTER FROM CHAIRMAN OF CZECH DELEGATION SPELLING OUT CZECH UNDERSTANDING THAT SETTLEMENT INCLUDES THREE CZECH CASES IN QUESTION.

5. WE ARE FULLY SATISFIED THAT TEXT AND LETTER TOGETHER ENTIRELY MEET OUR REQUIREMENTS AND, WITH EXHAUSTIVE DISCUSSION AND NEGOTIATION, ARE ABSOLUTELY CERTAIN THAT THERE IS NO MISUNDERSTANDING AS TO WHAT ARTICLE 1 COVERS. IF DEPARTMENT AGREES (AND ASSUMING THAT AGREED MINUTE AND ARTICLE 11 SENT IN PRAGUE 1556 ARE CONCURRED IN) AND CAN CONCUR BY COB WEDNESDAY, WE WILL PROCEED TO INITIALLING AS REPORTED PRAGUE 1557. ESSENTIAL THAT REPLIES TO THIS MESSAGE AND PRAGUE 1556 BE SENT IMMEDIATE NIACT RPT NIACT.

6. PRESS ARRANGMENTS FOR INITIALLING BEING REPORTED SEPTEL.

7. ARTICLE 1

THE GOVERNMENT OF THE CZECHOSLOVAK SOCIALIST REPUBLIC, HEREINAFTER REFERRED TO AS THE CZECHOSLOVAK GOVERNMENT, AGREES TO PAY AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA, HEREINAFTER REFERRED TO AS THE GOVERNMENT OF THE UNITED STATES, AGREES TO ACCEPT THE FURTHER SUM OF \$20,500,000 UNITED STATES CURRENCY IN FULL SETTLEMENT AND DISCHARGE OF ALL CLAIMS OF ALL NATIONALS OF THE UNITED STATES BASED UPON THE NATIONALIZATION OR OTHER TAKING BY CZECHOSLOVAKIA OF THEIR PROPERTIES, RIGHTS AND INTERESTS WHICH AROSE:

(1) WITHIN THE PERIOD STATED IN APPLICABLE LEGISLATION OF THE UNITED STATES FOR THE ADJUDICATION OF SUCH CLAIMS WHETHER OR NOT FILED, CONSIDERED OR ADJUDICATED BY AN AGENCY OF THE GOVERNMENT OF THE UNITED STATES, AND
(2) SUBSEQUENT TO THE DATE OF SUCH LEGISLATION TO THE DATE OF ENTRY INTO FORCE OF THIS AGREEMENT.
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